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of Industry
Addis Ababa, Ethiopia, 26-28 March 1984

LC/NAIROB

PROGRAMME OF ACTIVITIES TO BE UNDERTAKEN DURING THE IMPLEMENTATION
PHASE OF IDDA, 1985-1990*

(Agenda item No.6)

* This document has not been formally edited.

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7TH MEETING OF THE CONFERENCE OF AFRICAN MINISTERS OF INDUSTRY
(19-28 March 1984)

Programme of Activities to be undertaken during the Implementation
Phase of IDDA, 1985-1990

(Agenda item No. 6)

A. INTRODUCTION

I. Background

1. The main objective of the Industrial Development Decade for Africa is to lay a foundation for self-reliance and self-sustained industrial development in the African region, including the development of institutional mechanisms and capabilities for enlarging the range of complementarities along the lines suggested in the Lagos Plan of Action. The essence of this is that each country should adopt a strategy focussed and limited to a set of core industries appropriate to its resources and raw materials at the national level, while reserving other industries for multinational co-operation.^{1/}
2. It was clearly understood at the time of adopting the Decade Programme by the Conference of African Ministers of Industry in 1981, that this Programme by itself could not be truly comprehensive till some action takes shape at the national level, subject to continuous review and concretization, gaining experience and acquiring new information as we move into the Decade. In this connection a document was prepared on "Guidelines for initiating action at national and subregional level" which was adopted by the Seventh Meeting of the Follow-up Committee on Industrialization in Africa in Kigali, Rwanda in March 1983.
3. The main activities proposed in the Guidelines include broadly the following:
(a) establishment in each country of an Operational Focal Point (OFP) to act as national secretariat for IDDA; (b) appointment of a local expert to assist the OFP to initiate action; (c) establishment of a National Co-ordinating Committee (NCC) and Subregional Co-ordinating Committee; and (d) the organization of national and subregional workshops under the auspices of the respective Committees for preparation of the Decade programmes. It is assumed that these activities will have been completed by the end of 1984.

B. REVIEW OF DECISIONS OF MEMBER STATES

I. Summary of Key Points of the Industry Chapter of the LPA^{2/}

4. In the Lagos Plan of Action (LPA) it is emphasized that the integrated socio-economic development of the region, hinge upon the establishment of an industrial base designed to meet the interests of the countries and strengthened by complementarities at the subregional and regional levels. In this connexion a foundation would be laid for the phased development of the following basic industries: food and agro-industries, building industries, metallurgical industries, mechanical industries, electrical and electronic industries, chemical industries, forest industries, and energy industry.
5. The requirements for the achievement of these objectives include the designing of national industrialization policies, the development of human resources, the development of technological capabilities, the establishment of appropriate industrial institutions, the determination of the role of private, semi-public and public enterprises as instruments for the implementation of the Lagos Plan of Action, and the effective development of small- and medium-scale industries based on local resources, labour and technologies.

1/ See: Programme for the Industrial Development Decade for Africa (IDDA), Foreword.

2/ See also: A Programme for the Industrial Development Decade for Africa (IDDA), Chapter III, paras 7-12.

6. The LPA attaches particular weight to the intensification of intra-African industrial co-operation as an instrument for self-reliance and accelerated industrial development. Co-operation with other regions should also be mutually advantageous and based on respect for the fundamental interests of the continent. Furthermore, the international agencies should adjust their programmes to the needs of the region with a view to playing an effective role in the industrial development of Africa.

II. Summary of Decisions taken at Kigali Meeting ^{3/}

7. The seventh meeting of the Follow-up Committee (of the Whole) on Industrialization in Africa, which was held in Kigali, Rwanda, from 16 to 19 March 1983, was convened specifically for the purpose of reviewing the progress made in the implementation of the IDDA and to decide on priority actions and modalities for implementing the first phase of the programme at national and multinational levels. These decisions were subsequently adopted by the Ninth meeting of the ECA Conference of Ministers in Addis Ababa, 27 April - 3 May 1983. The following indicate briefly the crucial agreed conclusions of the meeting as reflected in its report: ^{4/}

- (a) that high priority should be given to core industrial projects ^{5/}, identified or to be identified and included in national or multinational industrial programme, through the preparation for and holding of national and subregional workshops/meetings, and that provision should be made for increasing resources allocated to such projects;
- (b) that member States should concentrate resources on core engineering industries and, at least, one resource-based core branch of industry;
- (c) that action should be taken to improve national capabilities for project formulation and implementation relating to the industrial programme, particularly the core industries;
- (d) that member States should submit (well prepared) priority projects to the African Development Bank (ADB) for financing, out of the \$1 billion earmarked by the Bank as a minimum contribution set aside for industrial investment in Africa during 1982-1986 period;
- (e) that African countries should make preparations for the Fourth General Conference of UNIDO, since the issues to be discussed there were of critical importance to the industrial development process in Africa, in general, and to the implementation of the Industrial Development Decade for Africa (IDDA) in particular.

8. The Follow-up Committee meeting approved two kinds of core industries, namely, the engineering core industries and the resource-based core industries, as described in the "Guidelines for initiating priority actions at the national and subregional levels for the implementation of IDDA" and its Addendum as well as in the document entitled: The Industrial Development Decade for Africa (concepts, objectives, priorities and approaches and activities during the preparatory phase 1982-1984).

^{3/} Seventh Meeting of the Follow-up Committee (of the Whole) for Industrialization in Africa, Kigali, Rwanda, 16-19 March 1984.

^{4/} For details see: Report, (E/ECA/INR/3) or (E/ECA/CM.9/27), Part II

^{5/} See Section C.II of this report on the criteria for selection of national and multinational core projects.

9. Effective initiation of self-sustaining industrialization process in Africa remains the main limited objective. As implied by the core concept adopted at Kigali, this underlines the necessity to refrain from diffusion of limited resources in wider-ranging product groups with consequential insignificant impact on development, minimal value-added, and external dependence syndrome. All of the above limiting conditions dictate the necessity for choice of limited product groups/projects for special concentration and focus of resources and efforts which can guarantee attainment of some excellence thus leading to price/quality competitiveness and maximum value-added per unit of output.

III. Necessity for limiting the Objectives to be achieved during the Industrial Development Decade

10. Experience in Africa already indicate that the first consideration for limiting the objectives to be achieved is to look into the potential demand in the agricultural/rural sector, both for industrial inputs and industrial consumer goods. The second consideration is the critical role of transport and communications, both for development of agriculture itself and for integrated development of industry.

11. The subregional and regional dimension would need also to be examined with respect to (i) multinational complementarity in raw materials and other factor inputs; and to (ii) trade within subregions in industrial raw materials and final products.

12. Need for foreign exchange earnings on the one hand and the unfavourable terms of trade and rising debt burden on the other also tend to limit the objectives to be achieved. Tariff and non-tariff barriers in the advanced market economies limit rapid expansion of production, both qualitatively and quantitatively to low value-added types product range. Product groups whose demand is both global and dynamic, expansion of domestic production in any African country will depend on price and quality competitiveness and market and distribution efficiency.

C. ACTION TOWARDS FORMULATION OF INDUSTRIAL PROMOTION PROGRAMME, 1985-1990

I. Formulation of Criteria for selection of National and Multinational Industrial Core Projects

13. The Joint ECA/OAU/UNIDO Inter-Secretariat Committee on the Implementation of the Programme for the Industrial Development Decade for Africa (IDDA) has, since the seventh meeting of the Follow-up Committee, held several meetings at which they have formulated criteria for selection of industrial core projects at national and multinational level. The criteria are designed to provide some general principles which African countries should apply while taking into account also their own specific requirements for industrial projects. The criteria were sent to all member States to assist them in identifying and formulating their countries' industrial core programmes. In case of priority projects of a multinational nature, the Governments were requested to forward such projects to ECA and UNIDO for compilation and submission to the IGOs.

(a) Criteria for the selection of industrial core projects at a national level

14. It is expected that during the Decade the African countries will initiate a good number of industrial core projects based on priority product groups such as: iron and steel; copper; aluminium; agricultural tools, implements and machinery; transport equipment; fertilizers; pesticides; pharmaceuticals; cement; food; and wood products.

15. The general criteria for selecting national industrial core projects set out below are intended as a guide for African countries when developing sets of their own criteria.

1. National resource-based industries

16. The project:

- (i) Utilizes local natural resources (raw materials and energy) for primary and secondary processing;
- (ii) Meets domestic demand and/or offers export potential;
- (iii) Offers clear scope for the integrated development of an industrial branch or subsector;
- (iv) Promotes linkage with other national economic activities, possibly also within the subregion;
- (v) Offers scope for development of appropriate technology, including traditional technologies;
- (vi) Results in rehabilitation, rationalization, up-grading and diversification of production units, wherever practical;
- (vii) Produces intermediates and parts, components and accessories for existing and/or planned industries;
- (viii) Offers opportunities for employment and training of local manpower;
- (ix) Replaces, whenever practical, synthetic materials by natural materials, particularly those that are renewable;
- (x) Contributes to the attainment of self-sufficiency in food, in particular, and to rural development in general;
- (xi) Provides multiplier effects which promote not only national but also subregional integration.

17. A major feature of the resource-based products is that they are relatively labour-intensive. They are also among the highly protected products in the developed countries due to their employment content. Some of the possible areas, might for example, include the following: processed foods; leather products; wood based-products; textiles, clothing and related products; and pulp and paper products.

2. National engineering-based industries

18. The project:

- (i) Meets the repair and maintenance requirements of industry and other economic activities;
- (ii) Performs primary and secondary metal transformation such as metal castings, hardware, fixtures and fittings;

- (iii) Produces parts and components for the manufacture of equipment and machinery for food and agricultural production and processing, transport and communications, as well as energy generation and transmission;
- (iv) Develops basic support facilities such as foundries, forges, heat treatment, machine shop, tool room, metal fabrication and metal casting and product testing;
- (v) Provides linkage to and fills production gaps in the engineering sub-sector and support services, such as product, machinery and plant design and industrial engineering;
- (vi) Manufactures field-tested designs and prototypes, thereby ensuring the commercialization of R&D results;
- (vii) Reduces the country's reliance on external industrial factor inputs (spare parts, components, accessories, etc.);
- (viii) Contributes to the training of operatives.

19. Each country should, as a matter of urgency, develop some engineering industries which, in an industrial regime, are equivalent to "seeds". These industries consist of plants and equipment which are elaborated further as follows: (i) conventional and special machine tools and metal-working equipment designed to manufacture parts and components for various products; (ii) foundry facilities (ferrous and non-ferrous) for manufacture of shape castings required for final machining for production of different products; (iii) forging facilities for manufacture of formed shapes; (iv) heat treatment facilities for hardening and tempering of parts and components; (v) machine shops for manufacturing a wide range of parts and components on mass and batch scales production required for assembly and sub-assembly; and metal-coating facilities for nickel-chrome plating, phosphating, etc..

(b). Criteria for selecting multinational/subregional industrial core projects

20. For an industrial project to qualify as a multinational/subregional core project, it should meet all basic requirements in group 1 and one or more additional requirements in group 2.

1. Basic requirements

21. The project:

- (i) provides inputs into the priority sectors selected in the Lagos Plan of Action and the Final Act of Lagos, i.e. food, transport and communications and energy;
- (ii) provides effective integration and linkages with other industrial and economic activities and infrastructures in the subregion;
- (iii) utilizes and upgrades, to the maximum extent possible, African natural resources (raw materials and energy) so as to benefit first the subregion, secondly other African countries and thirdly non-African countries;

- (iv) produces intermediates for further processing or fabricating in an increasing number of established or planned industries or engineering goods, particularly those related to food production and processing, building materials, textiles, energy, transport and mining;
- (v) caters, first and foremost, directly or indirectly, to the basic needs of the peoples in the subregion and, if required, in other African countries;
- (vi) involves (a) economies of scale, (b) complex technology or upgrading of technology, (c) large investment and (d) market(s) beyond the reach of individual countries in the subregion;
- (vii) offers scope for co-operation, especially among the African countries, in long-term supply/purchase arrangements for raw materials, intermediates and final products; subcontracting; barter; equity share holding etc.;
- (viii) contributes to reducing the region's heavy reliance on external factor inputs.

2. Additional requirements

22. The project:

- (i) offers comparative advantage(s) over similar projects - actual or potential - in other groups of countries (African and non-African), particularly in respect of raw materials, energy and the infrastructure required;
- (ii) complements related project(s) or existing production unit(s) in the subregion;
- (iii) earns foreign exchange through the export of its products, including upgrading of raw materials;
- (iv) results in rehabilitation and rationalization of existing production unit(s);
- (v) replaces, whenever practical, synthetic materials by natural materials, particularly those that are renewable.

23. The bulk of the activities concerning selection of subregional core projects should be completed during the preparatory phase, 1982-1984, so that the implementation phase for such projects could start in earnest by 1985. On the basis of the criteria, possible projects will be promoted, including also those based on the following industrial branches: (i) engineering (e.g. agricultural, transport and communications and energy generating and transmitting equipment). These projects, at multinational level, complemented by national engineering core projects described under C.I(a) above, serve also to integrate projects in: (ii) basic metals (e.g. iron and steel including re-rolling mills and foundries based on subregional, regional or imported billets, iron for castings or sponge iron etc.; aluminium and copper); (iii) chemicals (e.g. basic intermediates, such as ammonia, phosphoric acid and potash for fertilizer production; active ingredients for pesticides and for pharmaceuticals); (iv) building materials (e.g. cement; wood-based and clay products; sheet glass; etc.); (v) energy-related projects (e.g. coking coal and hydro-power).

II. Subregional Meetings of Experts on IDDA

24. A series of two subregional expert group meetings have been convened jointly by the OAU, ECA and UNIDO aimed at promoting intra-African industrial co-operation. The meeting for Eastern and Southern African subregion was held in Addis Ababa (Ethiopia) from 22 to 26 November 1983 and that for Western African subregion in Abidjan (Ivory Coast) from 12 to 16 December 1983. The meetings focussed on formulation and implementation of subregional industrial promotion programmes for the Industrial Development Decade for Africa. The experts agreed on areas in which projects can be developed and on initial packages of selected multinational industrial core projects for promotion, including a plan of activities for implementing them. 6/

25. Consensus has been reached at these meetings that the subregional integrated industrial promotion programme should consist of core industrial subsectors, all mainly related to food and agriculture, providing such inputs as fertilizers, pesticides, agricultural implements and equipment, equipment for transportation, processing and storage of agricultural produce and food, power-generating and transmission equipment, as well as iron and steel, and copper.

26. Similar subregional meetings are planned to be organized for Central and North Africa subregions during the course of 1984.

III. Profiles on Core Projects already identified by the Member States in the above Project Areas

27. The initial integrated subregional industrial promotion programmes presented in this section are derived from following sources: national projects requiring multinational co-operation submitted by countries in the subregions to UNIDO and ECA, and the subregional projects developed within the framework of the existing IGOs, the MULFOCs or the UNIDO investment promotion services. Following a careful and thorough review of those projects, project proposals and project concepts, core projects were selected to constitute the initial integrated programmes. The projects were selected on basis of the criteria contained under C.I(b) above, all of them are in accordance with the priorities of the subregions, the Lagos Plan of Action and IDDA Programme.

28. It was felt at the subregional meetings held that the selection of projects was a continuous process, regardless of the stage of development of each project identified for multinational co-operation. Following are the profiles on projects already identified within the stated framework:

6/ See individual reports of the meetings for each subregion.

SUMMARY OF MULTINATIONAL PROJECTS RECOMMENDED FOR PROMOTION AND IMPLEMENTATION BY THE
SUBREGIONAL MEETINGS ON THE PROMOTION OF INTRA-AFRICAN INDUSTRIAL CO-OPERATION
WITHIN THE FRAMEWORK OF THE INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA AND
THOSE SUBMITTED BY MEMBER STATES OF CENTRAL AFRICA AND THEIR IGOs

1. Metals Subsector

Table 1.1 Eastern and Southern Africa Subregion

Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (mill.US\$)	Participation sought/desired
1. Rehabilitation of existing iron and steel plants	1	Zimbabwe ^{a/}	Conceptual	520 ^{b/}	405	to be negotiated
	2	Uganda ^{c/}	"	100	253	"
2. Electric arc Furnace Plants and Re-rolling mills	--	--	--	--	--	--
3. Direct Reduction Plants	4	Angola ^{d/}	Conceptual	n.a	n.a	to be negotiated
	5	Mozambique ^{d/}	"	n.a	n.a	"
	6	Madagascar	"	n.a	n.a	"
4. Integrated steel mills	3	Kenya	Feasibility study	420	890	"
5. Iron and steel Foundries	7	Kenya	Conceptual	n.a	n.a	"
6. Non-Ferrous metals industry	--	--	--	--	--	--

a/ Upgrading and diversification of the ZISCOSTEEL plant in order to meet the present subregional requirements for iron and steel products.

b/ Actual capacity of ZISCOSTEEL is 1.00 million tons. The 520,000 tons/year is the output suggested for the market of the subregion.

c/ National project with possibilities of Multinational Co-operation.

d/ Based on information collected by the secretariats of ECA and UNIDO.

Table 1.2 West Africa Subregion

Project category	Project	Promoter	Status	Capacity (1000 t/y)	Invest- ment (mill.US\$)	Participation sought/desired
1. Rehabilitation of existing iron and steel plants	-	-	-	-	-	-
2. Electric arc Furnace Plants and Re-rolling mills	3, 4, ^{a/}	Niamey	Conceptual	n.a	n.a	to be negotiated
3. Direct Reduction Plants	1, 2, ^{a/} 5	Mano River Union	Conceptual	n.a	n.a	"
4. Integrated steel mills	9 & 6	Niamey MULROC	"	n.a	n.a	"
5. Iron and steel Foundries	9	Niamey	"	n.a	n.a	"
6. Non-Ferrous metals industry	-	-	-	-	-	-

Table 1.3 Central Africa Subregion^{b/}

Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Invest- ment (mill.US\$)	Participation sought/desired
1. Rehabilitation of existing iron and steel plants	-	Zaire ^{c/}	Conceptual	250	n.a	to be negotiated
2. Electric arc Furnace Plants and Re-rolling mills	-	-	-	-	-	-
3. Direct Reduction Plants	-	-	-	-	-	-
4. Integrated steel mills	-	-	-	-	-	-
5. Iron and steel Foundries	-	-	-	-	-	-
6. Non-Ferrous metals industry	10,11, ^{a/} 12,13	UDEAC Cameroon Rwanda ^{d/}	Conceptual	n.a	n.a	To be negotiated

^{a/} These projects have been reformulated as one project.

^{b/} Based on information collected by the secretariats of ECA and UNIDO.

^{c/} Rehabilitation of the Maluku Steel Plant

^{d/} Covering tin and aluminium industries. The Rwanda Ferro-alloy and Rolling Mill projects are national

2. Engineering Subsector

Table 2.1 Eastern and Southern Africa Subregion

Project category	Project No.	Eventual Promoters	Status	Capacity	Investment (mill. US\$)	Participation sought/desired
1. Manufacture of diesel engines for tractors, trucks, lorries and buses	8	Zimbabwe or Kenya	Conceptual	30,000 units per on one shift 90,000 on 3 shifts	80	(a) 50% basic investment by equity share holding and balance by loans; (b) less than 50% shares to be given to partners; (c) supply arrangements for raw materials; (d) supply/purchase arrangements for ancillary parts
2. Manufacture of diesel-engine mounted chassis for lorries, trucks and buses	9	Ethiopia Mozambique Tanzania	Conceptual	53,000 units per working on 3 shifts at the 3 locations	20 for each plant	Same as above
3. Manufacture of low cost, standard multipurpose vehicles	10	Botswana Madagascar Mozambique Uganda Zambia	Conceptual	500,000 scooter engines 300,000 3-wheel chassis 200,000 moped engines/transmission	82.5 for the 5 plants	Same as above
4. Manufacture of 4-wheel tractors	11	Zimbabwe	Conceptual	7000 on one shift 21,000 on 3 shifts	20	Same as above

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Project category	Project No.	Eventual Promoters	Status	Capacity	Investment (mill.US\$)	Participation sought/desired
5. Manufacture of irrigation equipment	12	INDECO (Zambia)	Feasibility study	3677 T/yr	19.5	Participation sought mainly in terms of financial and technological inputs
6. Re-rolling mills for sections and bars for high tension electricity transmission	13	Zimbabwe	Conceptual	50,000 tons pa (1985) 100,000 tons pa (2000)	100	(a) Joint participation; (b) Purchase arrangements for products
7. Fabrication of copper/aluminium cables and conductors	14 ^{a/}	Zambia	Conceptual	50,000 tons pa (1990) 125,000 tons pa (2000)	25	(a) Joint participation; (b) Purchase arrangements for products
8. Manufacture of transformers	15	INDECO (Zambia)	Pre-feasibility study	1500 distr. trans.	18.84	Same as above (a), (b)
9. Manufacture of railway wagons	-	-	-	-	-	-
10. Manufacture of agricultural tools and implements	-	-	-	-	-	-
11. Manufacture of agricultural implements and equipment	-	-	-	-	-	-
12. Manufacture of watches and clocks	-	-	-	-	-	-
13. Manufacture of crown coaks	-	-	-	-	-	-

^{a/} Fabrication of copper cables and conductors

Table 2.2 West Africa Subregion

Project category	Project No.	Eventual Promoters	Status	Capacity	Investment (mill.US\$)	Participation sought/desired
1. Manufacture of diesel engines for tractors, trucks, lorries and buses	15	ECONAS	Conceptual	100,000 units pa	140	(a) 50% basic investment by equity share holding and balance by loans; (b) supply/purchase arrangements for ancillary parts
2. Manufacture of diesel-engine mounted chassis for lorries, trucks and buses	16	ECONAS	Conceptual	75,000 units pa	120	Same as above
3. Manufacture of low cost, standard multi-purpose vehicles	17	ECONAS	Conceptual	250,000 scooter engines 150,000 scooter chassis		Same as above
4. Manufacture of general tractors	10	ECONAS	Conceptual	15,000	70	Same as above
5. Manufacture of irrigation equipment	12 ^{a/}	Manc-River Union	Conceptual	100,000	50 ^{b/}	-
6. Re-rolling mills for sections and bars for high tension electricity transmission	20	ECONAS	Conceptual	50,000 tons pa	56.5	-
7. Fabrication of copper/aluminium cables and conductors	18	ECONAS	Conceptual	45,000 tons pa	24	-

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a/ Manufacture of diesel engines for irrigation pumps and generators

b/ This figure includes investments at national levels for pumps and generators assembly plants.

Project category	Project No.	Eventual Promoters	Status	Capacity	Investment (mill.US\$)	Participation sought/desired
8. Manufacture of transformers	19	ECOWAS	Conceptual	14,000 units pa	40	-
9. Manufacture of railway wagons	14	CEAO	Feasibility study	450 wagons pa		Togo and Benin interested in the project
10. Manufacture of agricultural tools and implements	11	Mano-River Union	Pre-feasibility study	1.5 million hand-tools 3,700 agricultural machinery	n.a	-
11. Manufacture of agricultural implements and equipment	13 ^{c/}	Nigeria	n.a	n.a	n.a	n.a
12. Manufacture of watches and clocks	-	-	-	-	-	-
13. Manufacture of crown coaks	-	-	-	-	-	-

c/ IDDA subcommittee has recommended to include an additional project submitted by Mano River Union relating to the manufacture of small mobile palm oil mills. ECOWAS in association with ARCEDEM and ARCT were requested to carry out in depth studies taking in account the proposal number 10 (manufacture of four-wheeled tractors).

Table 2.3 Central Africa Subregion

Project category	Project No.	Eventual Promoters	Status	Capacity	Investment (mill.US\$)	Participation sought/desired
1. Manufacture of diesel engines for tractors, trucks, lorries and buses	-	-	-	-	-	-
2. Manufacture of diesel-engine mounted chassis for lorries, trucks and buses	-	-	-	-	-	-
3. Manufacture of low cost, standard multi-purpose vehicles	-	-	-	-	-	-
4. Manufacture of 4-wheel tractors	-	-	-	-	-	-
5. Manufacture of irrigation equipment	-	-	-	-	-	-
6. Re-rolling mills for sections and bars for high tension electricity transmission	38 ^{a/}	Rwanda	Conceptual	n.a	n.a	n.a
7. Fabrication of copper/aluminium cables and conductors	-	-	-	-	-	-
8. Manufacture of transformers	-	-	-	-	-	-
9. Manufacture of railway wagons	-	-	-	-	-	-
10. Manufacture of agricultural tools and implements	28	CE FGL	Conceptual	1000 tons pa	n.a	n.a

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^{a/} Manufacture of electric lamps, insulators and electric towers.

Project category	Project	Eventual Promoters	Status	Capacity	Investment (mill.US\$)	Participation sought/desired
11. Manufacture of agricultural implements and equipment	-	-	-	-	-	-
12. Manufacture of watches and clocks		UDEAC	existing	100,000 ^{b/}	n.a	n.a
13. Manufacture of crown co-ks	30	CEFGL	Conceptual	n.a ^{a/}	n.a	n.a

^{b/} This project is at present at the small-scale artisanal stage.

3. Chemicals Subsector

Table 3.1 Eastern and Southern Africa Subregion

Project category	Project	Promoter	Status	Capacity (1000 t/y)	Invest- ment (mill. US\$)	Participation sought/desired
1. Potash	15	Ethiopia	Feasibility study completed	1.5m	300	Equity Participation of other member States and market guarantee
2. Ammonia	17	Tanzania	Awaiting investment	Ammonia 1,150 ton/ day Urea 1,750 t/d	450	Equity participation from other member States
3. Phosphate	18	Uganda	Study undertaken to determine the commercial financial and economic viability of the project	210,000 of concentra- tes 380,000 of SSP	84	Involving other member States in technical services and marketing
	19	Zimbabwe	Existing plant + expansion of plant	Present 160,000 additional sulphuric acid 200,000	Addition- al sulphur- sulphuric acid 48	Zimbabwe need markets to expand its phosphate fertilizer industry
	20	Kenya	Project initiated ten years ago, but never implemented despite orders for equipment owing to problems encountered	Informa- tion not available	43.3 (1982 prices)	Participation by countries outside the subregion is sought in respect of (i) License/ technology know how (ii) long-term supply/pur- chase arrangement (iii) managerial and technical training and (iv) services/management

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Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (mill. US\$)	Participation sought/desired
4. Pharmaceutical	-	-	-	-	-	-
5. Pesticide	-	-	-	-	-	-
6. Petro-chemicals	-	-	-	-	-	-
7. Basic chemicals	-	-	-	-	-	-

Table 3.2 West Africa Subregion

Project category	Project No.	Promoter	Status	Capacity (100 t/y)	Investment (Mill. US\$)	Participation sought/ desired
1. Potash	-	-	-	-	-	-
2. Ammonia	23	Based on a request of the Sixth meeting of the Council of Ministers of the Nianey based MULROC	Preliminary study completed	Ammonia 1,000 t/d Urea 1,500 t/d	500	Subregional project - Equity participation
3. Phosphate	22	Togo	Preliminary study completed feasibility study is nearing completion	1,000 t/d	70 bill. CFA	Equity participation of member States
	none	Liptako Gourma Authority	Conceptual stage	155,000	14.1	Project adopted by the Council of Ministers of the Liptako Gourma Authority
4. Pharmaceutical	24	Sierra Leone	Preliminary study	-	21.5	Project backed by MRU. UNIDO will conduct a market survey which will include the whole subregion
	25	Nigeria	Feasibility study available	-	63.1N	Same as above
	Add.4	Guinea	Feasibility study available	22.5	15	Survey which will include the whole subregion

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Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (Mill.US\$)	Participation sought/ desired
5. Pesticide	26	Upper Volta	Feasibility study available	liquid 1 m.litres powder 2.5	647 CFA	Subregional character. Niger will confirm its interest
6. Retro-chemicals	-	Niger	Feasibility study almost completed	Not available	n.a	Countries of the sub-region has been invited to participate
7. Basic chemicals*	Add.3	Mano River Union	Full scale investigation undertaken	n.a	-	Italian Fin SALTEC is also a potential partner

* Salt/Soda

Table 3.3 Central Africa Subregion^{a/}

Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (Mill. US\$)	Participation sought/ desired
1. Potash	14	UDEAC	-	-	-	Subregional character
2. ~~Assonia~~	16	CERGL	Conceptual stage	UREA 44	65	Subregional character
3. Phosphate	-	-	-	-	-	-
4. Pharmaceutical	23	UDEAC	Feasibility study (Gabon)	-	-	Subregional character
	25	CERGL	Pre-feasibility study	-	105	-
5. Pesticide	41	Rwanda	Conceptual stage	-	-	Subregional character
6. Petro-chemicals	15	Gabon	Pre-feasibility	-	-	Subregional character
7. Basic chemicals	17	CERGL*	Pre-feasibility study	n.a	n.a	Subregional character
	18	CERGL**	Pre-feasibility study	n.a	n.a	Subregional character
	19	CERGL***	n.a	n.a	n.a	Subregional character

^{a/} Based on information collected by the Secretariats of ECA and UNIDO.

* Production of methanol,

** Calcium carbide,

*** Calcium cyanamid.

SUMMARY OF MULTINATIONAL PROJECTS RECOMMENDED FOR PROMOTION AND IMPLEMENTATION BY THE
SUBREGIONAL MEETINGS ON THE PROMOTION OF INTRA AFRICAN INDUSTRIAL CO-OPERATION
WITHIN THE FRAMEWORK OF THE INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA AND
THOSE SUBMITTED BY MEMBER STATES OF CENTRAL AFRICA AND THEIR IGOs

4. Food Industry

Table 4.1 Eastern and Southern Africa Subregion

Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (mill.US\$)	Participation/sought/desired
1. Transformation of Research Station into a subregional R & D Centre for Cereals, Root crops and their processing	S1	Uganda	A project document is available for Serere Research Station	-	1.095	-
2. Processing of Fish and other seafoods	S7	ECA/ UNIDO/ OAU	Project idea	-	0.040	-
3. Integrated complex for poultry production	-	-	-	-	-	-
4. Food processing plant: to rehabilitate plant manufacturing agro-products such as chocolate and expand its programme to include the processing of oranges and other fruits	-	-	-	-	-	-
5. Fruit processing plant: to rehabilitate a fruit processing (with obsolete equipment) and to increase the processing and product range	-	-	-	-	-	-
6. Development of Meat and allied industries	-	-	-	-	-	-
7. Processing of fish and other seafoods	-	-	-	-	-	-
8. Development of the cotton textile industry	-	-	-	-	-	-
9. Cereals Storage	-	-	-	-	-	-
10. Pilots processing plants of Millet and Sorghum	-	-	-	-	-	-

Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (mill.US\$)	Participation/ Sought/ Desired
11. Factory for the manufacture of village mills	-	-	-	-	-	-
12. Production of mobile Mini Palm-oil mills	-	-	-	-	-	-
13. Paper pulp and paper board factory	-	-	-	-	-	-
14. Restauration et extension du complexe sucrier de caxito	-	-	-	-	-	-
15. Production d'alcool (Rhum) à partir du complexe sucrier	-	-	-	-	-	-
16. Rehabilitation et extension d'une usine de levure	-	-	-	-	-	-
17. Production de café soluble	-	-	-	-	-	-
18. Etude de Prefaisabilité	-	-	-	-	-	-
19. Industrie du Bois	-	-	-	-	-	-
20. Industrie de produits laitiers	-	-	-	-	-	-
21. Sucrierie du Congo	-	-	-	-	-	-

Table 4.2 West Africa Subregion

Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (mill. US\$)	Participation sought/desired
1. Transformation of Research Station into a subregional R & D Centre for Cereals, Root crops and their processing	-	-	-	-	-	-
2. Processing of Fish and other seafoods	-	-	-	-	-	-
3. Integrated complex for poultry production	27	Liberia	Feasibility study available	1/	16	Equity sharing loans, technology, know-how and management
4. Food processing plant: to rehabilitate plant manufacturing agro-products such as chocolate and expand its programme to include the processing of oranges and other fruits	28	Guinea	Pre-feasibility study is available	7.2	25	Equity sharing and loans
5. Fruit processing plant: to rehabilitate a fruit processing (with obsolete equipment) and to increase the processing and product range	29	Guinea	Pre-feasibility study is available	-	4.9	Equity sharing, loans, technological know-how, external market
6. Development of Meat and allied industries	SI1	ECONAS	Project proposal has been prepared by UNIDO	-	3	-
7. Processing of fish and other seafoods	SI2	ECA/UNIDO OAU	-	-	0.040	-
8. Development of the cotton textile industry	SI3	ECA/UNIDO OAU	Project idea	-	0.040	-

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1/ 3.856 tons poultry; over 5.4 millions eggs; 1.959 tons poultry feed; 1.964 tons organic fertilizer; and 0.480 tons by-products.

Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (mill.US\$)	Participation sought/desired
9. Cereals Storage	-	CILLS/FAO	/in original study by FAO is available	120 of national stocks and 152 of subregional stocks	228 (Dec. 1980)	-
10. Pilots processing plants of Millet and Sorghum	-	Niger/Nigeria Joint Co-operation Commission	Feasibility studies completed in Nov. 1983 by UNIDO with UNDP finance	3-6 of flour	2	-
11. Factory for the manufacture of village mills	-	Niger/Nigeria Joint Co-operation Commission	Pre-feasibility studies completed by UNIDO with UNDP finance	5,000 mills. a year	2.5 (1980)	-
12. Production of mobile Mini Palm-oil mills	-	Mano-River Union	Project idea	50-80 mills. a year	5-8	Co-operation in designing the units
13. Paper pulp and paper board factory	-	Ivory Coast	Conceptual level	50 to 100	-	Search for technical and financial partners
14. Restauration et extension du complexe sucrier de caxit.	-	-	-	-	-	-
15. Production d'alcool (Rhun) à partir du complexe sucrier	-	-	-	-	-	-
16. Rehabilitation et extension d'une usine de levure	-	-	-	-	-	-

Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (mill. US\$)	Participation sought/desired
17. Production de café soluble	-	-	-	-	-	-
18. Etude de Prefaisabilité	-	-	-	-	-	-
19. Industrie du Bois	-	-	-	-	-	-
20. Industrie de produits laitiers	-	-	-	-	-	-
21. Sucrierie du Congo	-	-	-	-	-	-

Table 4.3 Central Africa Subregion

Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (mill. US\$)	Participation sought/desired
1. Transformation of Research Station into a subregional R & D Centre for Cereals, Root crops and their processing	-	-	-	-	-	-
2. Processing of Fish land other seafoods	-	-	-	-	-	-
3. Integrated complex for poultry production	-	-	-	-	-	-
4. Food processing plant: to rehabilitate plant manufacturing agro-products such as chocolate and expand its programme to include the processing of oranges and other fruits	-	-	-	-	-	-
5. Fruit processing plant: to rehabilitate a fruit processing (with obsolete equipment) and to increase the processing and product range	-	-	-	-	-	-
6. Development of Meat and allied industries	-	-	-	-	-	-
7. Processing of fish and other seafoods	-	-	-	-	-	-
8. Development of the cotton textile industry	-	-	-	-	-	-
9. Cereals storage	-	-	-	-	-	-
10. Mills processing plants of m Millet and Sorghum	-	-	-	-	-	-
11. Factory for the manufacture of village mills	-	-	-	-	-	-
12. Production of mobile Mini Palm-oil mills	-	-	-	-	-	-

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Project category	Project No.	Promoter	Status	Capacity (1000 t/y)	Investment (mill. US\$)	Participation sought/desired
13. Paper pulp and paper board factory	-	-	-	-	-	-
14. Restauration et extension du complexe sucrier de caenn	1	Angola	Rehabilitation et extension	-	1.6	Exportation du sucre vers les pays voisins
15. Production d'alcool (Rhum) à partir d'un complexe sucrier	2	Angola	Reconversion d'un complexe sucrier pour la production de rhum	-	34	Exportation du rhum vers les pays voisins et à l'étranger
16. Rehabilitation et extension d'une usine de levure	3	Angola	Rehabilitation et extension	-	1.3	Exportation de levure dans les pays voisins
17. Production de café soluble	5	Burundi	Niveau conceptuel	-	-	Exportation de café soluble vers les pays voisins
18. Etude de Prefaisabilité	24	CEPGL/ FNUD	Niveau conceptuel	-	0.1	Co-opération entre pays de la CEPGL et du bassin de la Kagera
19. Industrie du Bois	27	CEPGL	Etude de pré-faisabilité en cours	-	-	Co-opération entre pays de la CEPGL
20. Industries de produits laitiers	39	CEPGL	Idee de projet	-	-	Co-opération entre pays de la CEPGL
21. Sucrierie du Congo	37	Congo	Idee de projet	-	-	Recherche de partenaires technique et financier et exportation du sucre vers les pays voisins

D. MODALITIES FOR INVESTMENT PROMOTION AND IMPLEMENTATION OF THE INTEGRATED INDUSTRIAL PROGRAMMES

I. Promotion of National Industrial and Investment Programmes

29. In respect of the national industrial core programme each country should undertake at least the following activities towards investment promotion:

- (a) appraisal of the local entrepreneurial resources and establishing effective communication with industrial private and public entrepreneurs, in terms of support services and institutions, and incentives;
- (b) strengthening of corporate structures and capacity for integrated project identification, preparation and implementation;
- (c) developing the requisite managerial and technical skills as well as establishing national physical infrastructure.

II. Promotion of Integrated Subregional Industrial and Investment Programme

30. The identification of core projects is a continuous and permanent process, so that the subregional integrated programmes will be revised at regular intervals and adjustments made appropriate to the current needs of the subregion concerned and its level of development. Any programmes agreed on will have to be endorsed by the governments concerned in each subregion through their intergovernmental organizations. Once the list of selected priority core projects have been approved, they would form an industrial promotion programme for each subregion, including also a plan for the implementation and follow-up. Meanwhile, all the available information on subregional core projects proposed by Governments should be submitted to the heads of the three Organizations, ECA, UNIDO and OAU to be assembled with a view to selecting, on the basis of the agreed criteria, the critical core projects for submission to the subregional meetings.

31. The provision of adequate administrative machinery to sustain consultations and co-ordination is perhaps the most important institutional aspect of any multinational subregional co-operation group, since all economic co-operation depends on effective participation of all the several interests involved. Such interests do not only involve the government departments of the member States but may also require consultation and co-ordination with public corporations, private entrepreneurs, chambers of commerce and industry, manufacturers associations, research associations, banks and other groups concerned.

32. A key feature of governmental machinery within member countries of a multinational project is the establishment of a unit or a corporation at national level to co-ordinate both policy formation and the implementation of projects on multinational/subregional basis.

33. A series of steps to be taken by the countries at national and subregional levels and by the co-ordinating organizations, ECA, OAU and UNIDO are spelt out below. 7/

7/ Detailed information available in the respective documents and reports of the subregional expert meetings on IDDA already mentioned.

34. The success of the subregional programme will be determined by the actions taken at the national level and by two policies and operational mechanisms adopted by Governments. These will, at least, include:

- (i) proposal, by each participating country, of a project which that country is prepared to support and include in its development plan or take commitment to do so;
- (ii) strengthening or introduction of operational mechanisms (e.g. indigenous corporations, companies, commissions) responsible for follow-up including project definitions, pre-investment studies, investment promotion, and project-related consultation with other countries in the subregions;
- (iii) if designated the principal promoter, a country will assume the bulk of the responsibilities for submission of the project to financial institutions such as various national and subregional banks, the African Development Bank (ADB), Arab Bank for Economic Development of Africa (BADEA), African Industrial Development Fund (AIDF) and the World Bank.

35. All the activities at the national and subregional level during the preparation and implementation of the identified core and support projects should further the attainment of those objectives. Activities at the subregional level include:

- (i) Formal endorsement of the initial integrated industrial promotion programmes by the intergovernmental organizations in the subregions, such as MULFOCs, PTA, SADCC, ECOWAS, UDEAC, and CERGL Council of Ministers and inclusion thereof in their subregional development plans and programmes;
- (ii) Initiatives taken by existing intergovernmental organizations and MULFOCs to co-ordinate, monitor and Advise Governments on the selection and implementation of multinational projects as well as undertake consultations leading to investment promotion and negotiation;
- (iii) Provision by those intergovernmental organizations of advice to Governments on co-operation arrangements in the areas of: industrial production and trade in industrial raw materials and products; mutual benefits or equitable treatment; joint ventures, co-production; subcontracting and joint acquisition of technology and loan finance;
- (iv) Agreement among the countries in the subregion on the host country for each multinational project and on the respective roles of others such as supply of the requisite raw materials and energy; purchase of intermediate and final products; equity shareholding; etc.
- (v) Involvement of African chambers of commerce and industry, or manufacturers and their associations as well as competent local consulting firms from the outset of the project, increasing their participation as the project develops. Meetings of production agents should be convened within each given product group to facilitate the working out of complementarity agreements between the countries concerned.

8/ It would serve no useful purpose for African countries to identify and propose projects and then simply hand them over all to foreign investors and donors.

36. The process of financing full feasibility studies and of finally preparing suitable multinational projects for investment financing is one that will be of very great importance. It may be proper that the African Development Bank (ADB) should play a central part in this as a neutral and independent authority concerned with African development. But the financing of such technical inputs and preinvestment activities is an issue fundamentally distinct from the provision of investment finance proper and, in some senses, takes precedence over it. In the light of the programme policies outlined in this report, it is recommended that the African countries give increased practical support to the African Industrial Development Fund (AIDF) so that it can start providing for these technical services in collaboration with ADB. The roles of ADB and AIDF should be extended to providing assistance in project negotiation and investment promotion.

III. Role of Co-ordinating and other Agencies

37. The agencies and organizations of the United Nations system, in particular, UNIDO and ECA, in close co-operation with the OAU, ADB and other African organizations such as ARCT, ARCEDEM, AIHTTR, PATU and IDEP can contribute to meeting the objectives of the industrial promotion programme.

38. For the most part, these organizations would provide technical assistance, upon request, in the following areas: 9/

- (a) identification of resource-based and engineering-based national and multinational core industries, in collaboration with national and intergovernmental organizations;
- (b) organization of workshops and formulation of detailed integrated programmes within the framework of core industries, including activities related to raw materials, entrepreneurial and other capabilities for implementing the realigned industrial development plans within the framework of IDDA;
- (c) providing information required to facilitate multinational consultations and negotiations for co-operation and investment promotion in key industries;
- (d) organization of technical consultations, negotiations and investment promotion meetings in specific core subsectors, in collaboration with relevant intergovernmental and national organizations. These will include consultations and negotiations between:
 - (i) African countries, involving both State finance institutions and local agents of production and distribution;
 - (ii) African States and potential partners from other developing countries through ECDC, involving potential investors from those countries as well as financial institutions;
 - (iii) African States and potential investors from developed countries.

9/ See documents and reports of the subregional expert meetings on IDDA for details.

- (e) formulation of modalities and programmes for creating or restructuring of industrial institutions and mechanisms for industrial consultations, negotiation, development and co-operation;
- (f) preparation and appraisal of pre-investment studies, specifications, bids and contracts related to core industries.

39. In providing the above assistance, close inter-agency co-operation in the sub-regions is required so as to ensure full harmonization of the endeavours of both the United Nations organizations and the OAU to the benefit of the subregions.